

GEOSTRATEGIC ANALYSIS

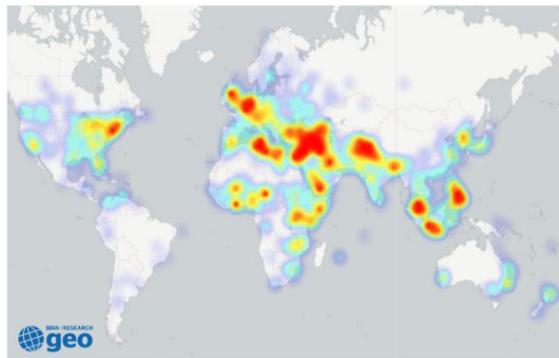
Geo-World: Conflict & Social Unrest – May Update

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Ramadan has started, accompanied by a high risk of ISIS attacks across the Muslim world. The Group will take this period as an opportunity to reorient its strategy, launching significant offensives in its core terrain (with important gains in northern Aleppo and large-scale attacks in Bagdad) and the surrounding neighbourhood. Russian air operations in Syria greatly escalated once again over the past month, targeting critical frontlines in Aleppo. The EU-Turkey refugee deal is being successfully implemented, easing social tensions in Europe. Instability rose in some Latin American countries and remained eased in Asia, but with a risk of escalation in the next weeks given the territorial disputes between the Philippines and China over the South China Sea. The risk of social unrest in North Africa remains high (Algeria, Tunisia and Egypt).

Geopolitical conflicts around the world kept at stable levels during May...

Figure 1
BBVA Research ISIS threats perception in 1H 2016 (Media coverage of ISIS threats around the world)



Source: www.dgelt.org & BBVA Research

High-risk period during the month of Ramadan

A surge of ISIS attacks is expected during the next 45 days, when it will try to reorient its strategy and exploit sectarian divisions.

Major ISIS attacks and expansion of its footprint

ISIS launched important attacks in Iraq, Syria (in Aleppo), North Africa, Bangladesh, Philippines and Pakistan.

Russia escalates its air campaign in Syria

The Russian operations escalation marks a dangerous shift in the Russian airstrike pattern after the ceasefire agreement in February.

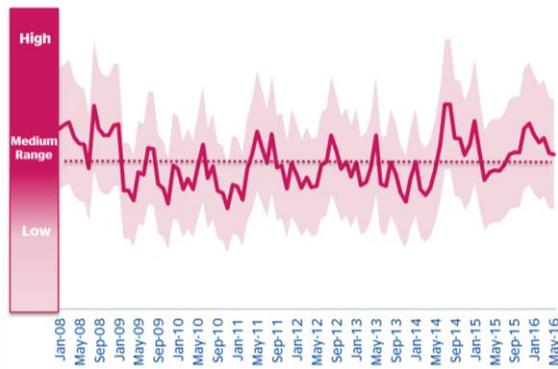
The BBVA Research World Conflict Intensity Index¹ remained stable in May with a high risk of escalation in the next month during Ramadan, with fears that ISIS could take advantage of the period to reorient its strategy. The Group is currently launching attacks within and on the periphery of the Muslim world in order to foster regional disorder and exploit sectarian divide. It is also expanding its footprint in majority-Muslim countries such as Bangladesh, Philippines and Pakistan. A major ISIS offensive against opposition groups in northern Aleppo poses a **significant risk to the long-term success of the anti-ISIS campaign.**

Russian air operations greatly escalated over the last month in Syria, coinciding with the further breakdown of the Geneva negotiations. Russian air operations expanded beyond the targeting of critical frontlines in Aleppo and began to hit key locations held by the opposition groups. **Russia also heightened tension** with NATO in order to test the Alliance and maintain an assertive posture in the **Baltic and Black Sea regions** (conducting a campaign of information warfare against the Baltic States and responding aggressively to US military exercises in the Black Sea region).

1: Details about methodology can be found in the following link: [Methodology, tracking protests and conflicts.](#)

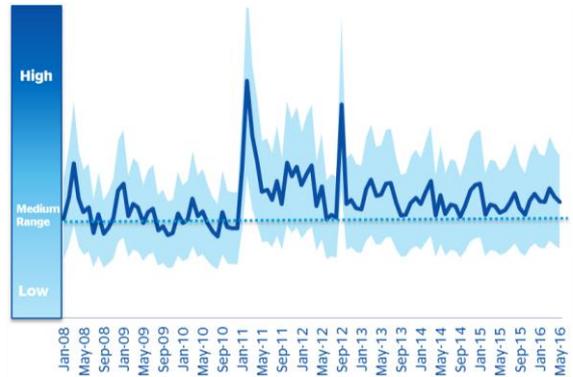
Disputes over the South China Sea were rekindled in the Asian security summit as a result of concerns over the international court ruling expected in coming weeks on a case brought by the **Philippines against China over its claims in the region**, which could prompt Beijing to declare an air defence identification zone as it did over the East China Sea in 2013. It would automatically raise tensions and call into serious question China's commitment to diplomatically manage the territorial disputes of the South China Sea.

Figure 2
BBVA Research World Conflict Intensity Index 2008 (Number of conflicts in the world / Total events in the world)



Source: www.dgelt.org & BBVA Research

Figure 3
BBVA Research World Conflict Intensity Index 2008-16 (Number of conflicts in the world / Total events in the world)

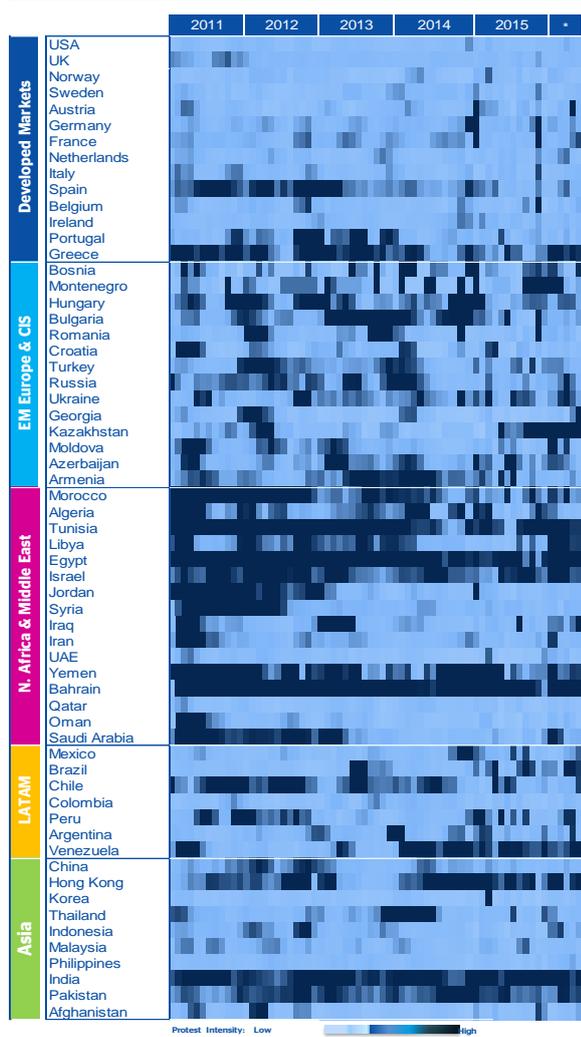


Source: www.dgelt.org & BBVA Research

... in line with social unrest

The World Protest Index slightly decreased in May (as shown by our BBVA Research World Protest Intensity Index²), but it is still well above the long-term average. According to the BBVA Research World Protest Intensity Map, the key takeaways were:

Figure 4
BBVA Research World Protest Intensity Map Jan 2008 – May 2016 (Number of protest / Total events)



Source: www.dgelt.org & BBVA Research

Summing up

Ramadan sees the start of a period of greatly increased threat and insecurity in the MENA region. ISIS will take this as an opportunity to launch attacks, spread instability, exploit sectarian divisions and reorient its strategy. The EU-Turkey refugee deal has successfully reduced the migrant flows to the Greek coasts, easing tensions in the country and the Balkans. Social unrest in Asia continues to be contained, but the revival of territorial claims in the South China Sea could trigger tensions in the region.

- In Western Europe, the refugee crisis still poses high levels of social unrest in Greece despite the EU-Turkey deal, which has swiftly halted migrant inflows to the Greek coasts. The Brexit referendum next 23th June could have important implications in Europe and some tensions could arise.
- In Emerging Europe, pressures in the Balkans over the refugee crisis eased after the EU-Turkey deal. Violent protests over Government reforms continued in Kazakhstan, while social unrest eased in Ukraine after some months of high political and social instability.
- In North Africa and the Middle East, social turmoil remained at extreme levels and the situation is unstable. The ISIS stronghold in Libya and its neighbours continued to spread social unrest in North Africa. In the Middle East, ISIS took advantage of unstable political situation in Iraq, increasing instability in the area.
- In Latin America, social tensions rose in Mexico, Brazil and Chile and remained at high levels in Venezuela, while easing off in Peru and Argentina.
- Instability in Asia remained contained with some hot spots in India and Pakistan and risk of escalation given the revival of China territorial claims in South China Sea

2: Details about methodology can be found in the following link: [Methodology, tracking protests and conflicts.](#)

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